



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

REVIEW
OF
THE TRANSACTIONS
OF THE
CREDIT MOBILIER COMPANY,
AND AN EXAMINATION OF
THAT PORTION OF THE TESTIMONY TAKEN BY THE COMMITTEE
OF INVESTIGATION AND REPORTED TO THE HOUSE OF
REPRESENTATIVES AT THE LAST SESSION OF
THE FORTY-SECOND CONGRESS
WHICH RELATES TO MR. GARFIELD.

WASHINGTON.
1873.

REVIEW
OF
THE TRANSACTIONS
OF THE
CREDIT MOBILIER COMPANY
AND AN EXAMINATION OF
THAT PORTION OF THE TESTIMONY TAKEN BY THE COMMITTEE
OF INVESTIGATION AND REPORTED TO THE HOUSE OF
REPRESENTATIVES AT THE LAST SESSION OF
THE FORTY-SECOND CONGRESS
WHICH RELATES TO MR. GARFIELD.

WASHINGTON.
1873.

NOTE.

Since this review was written, the telegraph has announced the death of Mr. Ames. This circumstance may raise a question as to the propriety of publishing this paper; but I gave notice in the House of Representatives, on the 3d of March last, that I should publish such a review, and I then indicated its scope and character. Furthermore, justice to the living cannot wrong the memory of the dead.

In revising these pages, as they are passing through the press, I am glad to find no expressions, prompted by a spirit of bitterness, which the presence of death requires me to erase.

J. A. GARFIELD.

WASHINGTON, D. C., *May* 8, 1873.

REVIEW.

The events of the late winter recall forcibly a declaration made more than twenty-two centuries ago, by a man who possessed a profound knowledge of human nature and society. In answering a grave charge made against his public conduct, he said he did not stand on equal ground with his accusers, for the reason that people listen to accusation more readily than to defense. This remark has sometimes been thought cynical and unjust ; but there is much in our recent history that gives it force.

In no period of the political life of this country has the appetite for scandal been keener, or its exercise less restrained, than during the last year. One of our most brilliant and influential journalists, in an address delivered a few days since to a convention of his professional brethren in Indiana, while speaking of the present tone of the press, used this emphatic language :

The law presumes a man to be innocent until he is proved guilty.

The press, not merely usurping the functions of the law in arraiguing a man whom the constable has no warrant to arrest, goes still further, and assumes him, *prima facie*, to be guilty. After many weeks, if the case of the accused comes to trial, he is acquitted ; the law makes him an honest man ; but there is the newspaper which has condemned him, and cannot, with a dozen retractions, erase the impression left and the damage done by a single paragraph.

It might not be becoming in a layman, who feels in his own case the force of this paragraph, to volunteer such a declaration ; but it is quite proper for him to testify to its truth when thus forcibly stated.

This paragraph from the address of the journalist finds a striking illustration in the history of the subject now under review.

In the autumn of 1872, during the excitement of the Presidential campaign, charges of the most serious character were made against ten or twelve persons who were then, or had recently been, Senators and Representatives in Congress, to the effect that, five years ago, they had sold themselves for sundry amounts of stock of the Credit Mobilier Company and bonds of the Pacific Railroad Company. The price at which different members were alleged to have bartered away their personal honor and their official influence was definitely set down in the newspapers ; their guilt was assumed, and the public vengeance was invoked not only upon them, but also upon the party to which most of them belonged.

CREDIT MOBILIER INVESTIGATION.

By a resolution of the House, introduced by one of the accused members, and adopted on the first day of the late session, an investigation of these charges was ordered. The parties themselves and many other witnesses were examined ; the records of the Credit Mobilier Company and of the Pacific Railroad Company were produced ; and the results of the investigation were reported to the House on the 18th of February. The report, with the accompanying testimony, was brought up in the

House for consideration on the 25th of February, and the discussion was continued until the subject was finally disposed of, three days before the close of the session. The investigation was scarcely begun before it was manifest that the original charge that stock was given to members as a consideration for their votes was wholly abandoned, there being no proof whatever to support it.

But the charge assumed a new form, namely: That the stock had been sold to members at a price known to be greatly below its actual value, for the purpose of securing their legislative influence in favor of those who were managing and manipulating the Pacific Railroad for their own private advantage and to the injury both of the trust and of the United States. Eight of those against whom charges had been made in the public press, myself among the number, were still members of the House of Representatives, and were specially mentioned in the report. The committee recommended the adoption of resolutions for the expulsion of Messrs. Ames and Brooks, the latter on charges in no way connected with Mr. Ames or the other members mentioned. They recommended the expulsion of Mr. Ames for an attempt to influence the votes and decisions of members of Congress by interesting them in the stock of the Credit Mobilier, and through it in the stock of the Union Pacific Railroad. They found that though Mr. Ames in no case disclosed his purpose to these members, yet he hoped so to enlist their interest that they would be inclined to favor any legislation in aid of the Pacific Railroad and its interest, and that he declared to the managers of the Credit Mobilier Company at the time that he was thus using the stock which had been placed in his hands by the company.

Concerning the members to whom he had sold, or offered to sell, the stock, the committee say that they "do not find that Mr. Ames, in his negotiations with the persons above named, entered into any detail of the relations between the Credit Mobilier Company and the Union Pacific Company, or gave them any specific information as to the amount of dividends they would be likely to receive further than has been already stated, [viz, that in some cases he had guaranteed a profit of 10 per cent.] * * * They do not find as to the members of the present House above named that they were aware of the object of Mr. Ames, or that they had any other purpose in taking this stock than to make a profitable investment. * * * They have not been able to find that any of these members of Congress have been affected in their official action in consequence of interest in the Credit-Mobilier stock. * * * They do not find that either of the above-named gentlemen in contracting with Mr. Ames had any corrupt motive or purpose himself or was aware Mr. Ames had any. Nor did either of them suppose he was guilty of any impropriety or even indelicacy in becoming a purchaser of this stock." And finally, that "the committee find nothing in the conduct or motives of either of these members in taking this stock, that calls for any recommendation by the committee of the House." (See pp. viii, ix, x.)

In the case of each of the six members just referred to, the committee sum up the results of the testimony, and from that summary the conclusions above quoted are drawn. In regard to me, the committee find: That in December, 1867, or January, 1868, I agreed to purchase ten shares of Credit Mobilier stock of Mr. Ames, for \$1,000, and the accrued interest from the previous July; that in June, 1868, Mr. Ames paid me a check on the Sergeant-at-Arms of the House for \$329, as a balance of dividends on the stock, above the purchase-price and accrued interest; and that thereafter, there were no payments or other transac-

tions between us, or any communication on the subject until the investigation began in December last. (See Report, p. vii.)

I took the first opportunity offered by the completion of public business to call the attention of the House to the above summary of the testimony in reference to me. On the 3d of March I made the following remarks, in the House of Representatives, as recorded in the Congressional Globe for that day :

MR. GARFIELD, of Ohio. I rise to a personal explanation. During the late investigation by the committee of which the gentleman from Vermont [Mr. POLAND] was the chairman, I pursued what seemed to be the plain path of duty, to keep silence except when I was called upon to testify before the committee. When testimony was given which appeared to be in conflict with mine, I waited, expecting to be called again if anything was needed from me in reference to these discrepancies. I was not recalled ; and when the committee submitted their report to the House, a considerable portion of the testimony relating to me had not been printed.

In the discussion which followed here I was prepared to submit some additional facts and considerations in case my own conduct came up for consideration in the House ; but the whole subject was concluded without any direct reference to myself, and since then the whole time of the House has been occupied with the public business. I now desire to make a single remark on this subject in the hearing of the House. Though the committee acquitted me of all charges of corruption in action or intent, yet there is in the report a summing up of the facts in relation to me which I respectfully protest is not warranted by the testimony. I say this with the utmost respect for the committee, and without intending any reflection upon them.

I cannot now enter upon the discussion ; but I propose, before long, to make a statement to the public, setting forth more fully the grounds of my dissent from the summing up to which I have referred. I will only say now that the testimony which I gave before the committee is a statement of the facts in the case as I have understood them from the beginning. More than three years ago, on at least two occasions, I stated the case to two personal friends substantially as I stated it before the committee, and I here add that nothing in my conduct or conversation has at any time been in conflict with my testimony. For the present I desire only to place on record this declaration and notice.

In pursuance of this notice, I shall consider so much of the history of the Credit Mobilier Company as has any relation to myself. To render the discussion intelligible, I will first state briefly the offenses which that corporation committed, as found by the committees of the House.

HISTORY OF THE CREDIT MOBILIER COMPANY.

The Credit Mobilier Company is a corporation organized under the laws of the State of Pennsylvania, and authorized by its charter to purchase and sell various kinds of securities and to make advances of money and credit to railroad and other improvement companies. Its charter describes a class of business, which, if honestly conducted, any citizen may properly engage in.

On the 16th of August, 1867, Mr. Oakes Ames made a contract with the Union Pacific Railroad Company to build six hundred and sixty-seven miles of road, from the one hundredth meridian westward, at rates ranging from \$42,000 to \$96,000 per mile. For executing this contract he was to receive in the aggregate \$47,925,000, in cash, or in the securities of the company.

On the 15th of October, 1867, a triple contract was made between Mr. Ames of the *first part*, seven persons as trustees of the *second part*, and the Credit Mobilier Company of the *third part*, by the terms of which the Credit Mobilier Company was to advance money to build the road, and to receive thereon 7 per cent. interest and 2½ per cent. commission ; the seven trustees were to execute the Ames contract, and the profits thereon were to be divided among them, and such other stockhold-

ers of the Credit Mobilier Company as should deliver to them an irrevocable proxy to vote the stock of the Union Pacific held by them. The principal stockholders of the Credit Mobilier Company were also holders of a majority of the stock of the Union Pacific Railroad.

On the face of this agreement, the part to be performed by the Credit Mobilier Company as a corporation was simple and unobjectionable. It was to advance money to the contractors and to receive therefor about ten per cent. as interest and commission. This explains how it was that in a suit in the courts of Pennsylvania in 1870, to collect the State tax on the profits of the company, its managers swore that the company had never declared dividends to an aggregate of more than twelve present. The company proper did not receive the profits of the Oakes Ames contract. The profits were paid only to the seven trustees and to such stockholders of the Credit Mobilier as had delivered to them the proxies on their Pacific Railroad stock. In other words, a ring inside the Credit Mobilier obtained the control both of that corporation and of the profits of the Ames contract.

By a private agreement made in writing October 16, 1867, the day after the triple contract was signed, the seven trustees pledged themselves to each other so to vote all the Pacific Railroad stock which they held in their own right or by proxy, as to keep in power all the members of the then existing board of directors of the railroad company not appointed by the President of the United States, or such other persons as said board should nominate. By this agreement, the election of a majority of the directors was wholly within the power of the seven trustees. From all this it resulted that the Ames contract and the triple agreement made in October amounted in fact to a contract made by seven leading stockholders of the Pacific Railroad Company with themselves; so that the men who fixed the price at which the road was to be built were the same men who would receive the profits of the contract.

The wrong in this transaction consisted, first, in the fact that the stockholding directors of the Pacific Railroad, being the guardians of a great public trust, contracted with themselves; and, second, that they paid themselves an exorbitant price for the work to be done; a price which virtually brought into their own possession, as private individuals, almost all the property of the railroad company. The six hundred and sixty-seven miles covered by the contract included one hundred and thirty-eight miles already completed the profits on which inured to the benefit of the contractors. (See Report of Credit Mobilier Committee No. 2, p. xiii.)

The Credit Mobilier Company had already been engaged in various enterprises before the connection with the Ames contract. George Francis Train had once been the principal owner of its franchises, and it had owned some western lands; (Wilson's Report, pp. 497-8;) but its enterprises had not been very remunerative, and its stock had not been worth par. The triple contract of October, 1867, gave it at once considerable additional value. It should be borne in mind, however, that the relations of the Credit Mobilier Company to the seven trustees, to the Oakes Ames contract, and to the Pacific Railroad Company, were known to but few persons until long afterward, and that it was for the interest of the parties to keep them secret. Indeed, nothing was known of it to the general public until the facts were brought out in the recent investigations.

In view of the facts above stated, it is evident that a purchaser of such shares of Credit Mobilier stock as were brought under the operation of the triple contract would be a sharer in the profits derived by

that arrangement from the assets of the Pacific Railroad, a large part of which consisted of bonds and lands granted to the road by the United States. The holding of such stock by a member of Congress would depend for its moral qualities wholly upon the fact whether he did or did not know of the arrangement out of which the profits would come. If he knew of the fraudulent arrangement by which the bonds and lands of the United States delivered to the Union Pacific Railroad Company for the purpose of constructing its road were to be paid out at enormously extravagant rates, and the proceeds to be paid out as dividends to a ring of stockholders made the Credit Mobilier Company, he could not with any propriety hold such stock, or agree to hold it, or any of its proceeds. And for a member of Congress, knowing the facts, to hold under advisement a proposition to buy this stock would be morally as wrong as to hold it and receive the profits upon it. If it was morally wrong to purchase it, it was morally wrong to hesitate whether to purchase it or not.

I put the case on the highest ethical ground, and ask that this rule be applied in all its severity in judging of my relation to this subject.

PROPOSITIONS TO BE DISCUSSED.

The committee found, as already stated, that none of the six members to whom Mr. Ames sold, or proposed to sell, the stock, knew of this arrangement. I shall, however, discuss the subject only in so far as relates to me, and shall undertake to establish three propositions:

First. That I never purchased nor agreed to purchase the stock, nor received any of its dividends.

Second. That though an offer was made, which I had some time under advisement, to sell me \$1,000 worth of the stock, I did not then know, nor had I the means of knowing, the real conditions with which the stock was connected, or the method by which its profits were to be made.

Third. That my testimony before the committee is a statement of the facts as I have always understood them; and that neither before the committee nor elsewhere has there been, on my part, any prevarication or evasion on the subject.

MR. GARFIELD'S TESTIMONY.

My testimony was delivered before the investigating committee on the 14th of January. That portion which precedes the cross-examination, I had written out soon after the committee was appointed. I quote it, with the cross-examination, in full, as found recorded on pp. 128 to 131:

WASHINGTON, D. C., *January 14, 1873.*

J. A. GARFIELD, a member of the United States House of Representatives from the State of Ohio, having been duly sworn, made the following statement:

The first I ever heard of the Credit Mobilier was some time in 1866 or 1867—I cannot fix the date—when George Francis Train called on me and said he was organizing a company to be known as the Credit Mobilier of America, to be formed on the model of the Credit Mobilier of France; that the object of the company was to purchase lands and build houses along the line of the Pacific Railroad at points where cities and villages were likely to spring up; that he had no doubt that money thus invested would double or treble itself each year; that subscriptions were limited to \$1,000 each, and he wished me to subscribe. He showed me a long list of subscribers, among them Mr. Oakes Ames, to whom he referred me for further information concerning the enterprise. I answered that I had not the money to spare, and if I had I would not subscribe without knowing more about the proposed organization. Mr. Train left

me, saying he would hold a place open for me, and hoped I would yet conclude to subscribe. The same day I asked Mr. Ames what he thought of the enterprise. He expressed the opinion that the investment would be safe and profitable.

I heard nothing further on the subject for a year or more, and it was almost forgotten, when some time, I should say, during the long session of 1868, Mr. Ames spoke of it again; said the company had organized, was doing well, and he thought would soon pay large dividends. He said that some of the stock had been left or was to be left in his hands to sell, and I could take the amount which Mr. Train had offered me, by paying the \$1,000 and the accrued interest. He said if I was not able to pay for it then, he would hold it for me till I could pay, or until some of the dividends were payable. I told him I would consider the matter; but would not agree to take any stock until I knew, from an examination of the charter and the conditions of the subscription, the extent to which I should become pecuniarily liable. He said he was not sure, but thought a stockholder would be liable only for the par value of his stock; that he had not the stock and papers with him, but would have them after a while.

From the case, as presented, I should probably have taken the stock if I had been satisfied in regard to the extent of pecuniary liability. Thus the matter rested for some time, I think until the following year. During that interval I understood that there were dividends due amounting to nearly three times the par value of the stock. But in the mean time I had heard that the company was involved in some controversy with the Pacific Railroad, and that Mr. Ames's right to sell the stock was denied. When I next saw Mr. Ames I told him I had concluded not to take the stock. There the matter ended, so far as I was concerned, and I had no further knowledge of the company's operations until the subject began to be discussed in the newspapers last fall.

Nothing was ever said to me by Mr. Train or Mr. Ames to indicate or imply that the Credit Mobilier was or could be in any way connected with the legislation of Congress for the Pacific Railroad or for any other purpose. Mr. Ames never gave, nor offered to give, me any stock or other valuable thing as a gift. I once asked and obtained from him, and afterward repaid to him, a loan of \$300; that amount is the only valuable thing I ever received from or delivered to him.

I never owned, received, or agreed to receive any stock of the Credit Mobilier or of the Union Pacific Railroad, nor any dividends or profits arising from either of them.

By the CHAIRMAN:

Question. Had this loan you speak of any connection in any way with your conversation in regard to the Credit Mobilier stock?—Answer. No connection in any way except in regard to the time of payment. Mr. Ames stated to me that if I concluded to subscribe for the Credit Mobilier stock, I could allow the loan to remain until the payment on that was adjusted. I never regarded it as connected in any other way with the stock enterprise.

Q. Do you remember the time of that transaction?—A. I do not remember it precisely. I should think it was in the session of 1868. I had been to Europe the fall before, and was in debt, and borrowed several sums of money at different times and from different persons. This loan from Mr. Ames was not at his instance. I made the request myself. I think I had asked one or two persons before him for the loan.

Q. Have you any knowledge in reference to any dealings of Mr. Ames with any gentlemen in Congress in reference to the stock of the Credit Mobilier?—A. No, sir; I have not. I had no knowledge that Mr. Ames had ever talked with anybody but myself. It was a subject I gave but little attention to; in fact, many of the details had almost passed out of my mind until they were called up in the late campaign.

By Mr. BLACK:

Q. Did you say you refused to take the stock simply because there was a lawsuit about it?—A. No; not exactly that. I do not remember any other reason which I gave to Mr. Ames than that I did not wish to take stock in anything that would involve controversy. I think I gave him no other reason than that.

Q. When you ascertained the relation that this company had with the Union Pacific Railroad Company, and whence its profits were to be derived, would you have considered that a sufficient reason for declining it irrespective of other considerations?—A. It would have been as the case was afterward stated.

Q. At the time you talked with Mr. Ames, before you rejected the proposition, you did not know whence the profits of the company were to be derived?—A. I did not. I do not know that Mr. Ames withheld, intentionally, from me any information. I had derived my original knowledge of the organization of the company from Mr. Train. He made quite an elaborate statement of its purposes, and I proceeded in subsequent conversations upon the supposition that the organization was unchanged. I ought to say for myself, as well as for Mr. Ames, that he never said any word to me that indicated the least desire to influence my legislative action in any way. If he had any such purpose, he certainly never said anything to me which would indicate it.

Q. You know now, and have known for a long time, that Mr. Ames was deeply

interested in the legislation on this subject?—A. I supposed that he was largely interested in the Union Pacific Railroad. I have heard various statements to that effect. I cannot say I had any such information of my own knowledge.

Q. You mean that he did not electioneer with you or solicit your vote?—A. Certainly not. None of the conversations I ever had with him had any reference to such legislation.

By Mr. MERRICK :

Q. Have you any knowledge of any other member of Congress being concerned in the Credit Mobilier stock?—A. No, sir; I have not.

Q. Or any stock in the Union Pacific Railroad?—A. I have not. I can say to the committee that I never saw, I believe, in my life a certificate of stock of the Union Pacific Railroad Company, and I never saw any certificate of stock of the Credit Mobilier, until Mr. Brooks exhibited one, a few days ago, in the House of Representatives.

Q. Were any dividends ever tendered to you on the stock of the Credit Mobilier upon the supposition that you were to be a subscriber?—A. No, sir.

Q. This loan of \$300 you have repaid, if I understood you correctly?—A. Yes, sir.

By Mr. McCRARY :

Q. You never examined the charter of the Credit Mobilier to see what were its objects?—A. No, sir; I never saw it.

Q. If I understood you, you did not know that the Credit Mobilier had any connection with the Union Pacific Railroad Company?—A. I understood from the statement of Mr. Train that its objects were connected with the lands of the Union Pacific Railroad Company and the development of settlements along that road; but that it had any relation to the Union Pacific Railroad, other than that, I did not know. I think I did hear also that the company was investing some of its earnings in the bonds of the road.

Q. He stated it was for the purpose of purchasing land and building houses?—A. That was the statement of Mr. Train. I think he said in that connection that he had already been doing something of that kind at Omaha, or was going to do it.

Q. You did not know that the object was to build the Union Pacific Railroad?—A. No, sir; I did not.

This is the case as I understand it, and as I have always understood it. In reviewing it, after all that has been said and written during the past winter, there are no substantial changes which I could now make, except to render a few points more definite. Few men can be certain that they give with absolute correctness the details of conversations and transactions after a lapse of five years. Subject to this limitation I have no doubt of the accuracy of my remembrance concerning this transaction.

From this testimony it will be seen that when Mr. Ames offered to sell me the stock in 1867-'68, my only knowledge of the character and objects of the Credit Mobilier Company was obtained from Mr. Train, at least as early as the winter of 1866-'67, long before the company had become a party to the construction contract. It has been said that I am mistaken in thinking it was the Credit Mobilier that Mr. Train offered me in 1866-'67. I think I am not. Mr. Durant, in explaining his connection with the Credit Mobilier Company, says, (pp. 169, 170.)

I sent Mr. Train to Philadelphia. We wanted it (the Credit Mobilier) for a stock operation, but we could not agree what was to be done with it. Mr. Train proposed to go on an expanded scale, but I abandoned it. I think Mr. Train got some subscriptions; what they were I do not know.

It has been said that it is absurd to suppose that intelligent men, familiar with public affairs, did not understand all about the relation of the Credit Mobilier Company to the Pacific Railroad Company. It is a sufficient answer to say that, until the present winter, few men either in or out of Congress ever understood it, and it was for the interest of those in the management of that arrangement to prevent these facts from being known. This will appear from the testimony of Hon. J. F. Wilson, who purchased ten shares of the stock in 1868. In the spring of 1869 he was called upon professionally to give an opinion as to the right of

holders of Pacific Railroad stock to vote their own shares, notwithstanding the proxy they had given to the seven trustees. To enable him to understand the case, a copy of the triple contract was placed in his hands. He says, (page 213 :)

Down to the time these papers were placed in my hands, I knew almost nothing of the organization and details of the Credit Mobilier, or the value of its stock, but then saw that here was abundant ground for future trouble and litigation, and, as one of the results, sold out my interest.

And again, (p. 216 :)

Q. Do you, or did you know, at the time you had this negotiation with Mr. Ames the value of the Credit Mobilier stock?—A. I did not; and I wish to state here, in regard to that, that it was a very difficult thing to ascertain what was the value of the stock. Those who, as I say in my statement, possessed the secrets of the Credit Mobilier, kept them to themselves; and I never was able to get any definite information as to what the value of the stock was.

When, in the winter of 1867-'68, Mr. Ames proposed to sell me some of the stock, I regarded it as a mere repetition of the offer made by Mr. Train more than a year before. The company was the same, and the amount offered me was the same. Mr. Ames knew it had formerly been offered me, for I had then asked him his opinion of such an investment; and having understood the objects of the company, as stated by Mr. Train, I did not inquire further on that point.

There could not be the slightest impropriety in taking the stock, had the objects of the company been such as Mr. Train represented them to me. The only question on which I then hesitated was that of the personal, pecuniary liability attaching to a subscription; and, to settle that question, I asked to see the charter, and the conditions on which the stock were based. I have no doubt Mr. Ames expected I would subscribe. But more than a year passed without further discussion of subject. The papers were not brought, and the purchase was never made.

In the winter of 1869-'70 I received the first intimation I ever had of the real nature of the connection between the Credit Mobilier Company and the Pacific Railroad Company, in a private conversation with the Hon. J. S. Black, of Pennsylvania. Finding in the course of that conversation that he was familiar with the history of the enterprise, I told him all I knew about the matter, and informed him of the offer that had been made me. He expressed the opinion that the managers of the Credit Mobilier were attempting to defraud the Pacific Railroad Company, and informed me that Mr. Ames was pretending to have sold stock to members of Congress, for the purpose of influencing their action in any legislation that might arise on the subject.

Though I had neither done nor said anything which placed me under any obligation to take the stock, I at once informed Mr. Ames that if he was still holding the offer open to me he need do so no longer, for I would not take the stock. This I did immediately after the conversation with Judge Black, which, according to his own recollection as well as mine, was early in the winter of 1869-'70.

One circumstance has given rise to a painful conflict of testimony between Mr. Ames and myself. I refer to the loan of \$300. Among the various criticisms that have been made on this subject, it is said to be a suspicious circumstance that I should have borrowed so small a sum of money from Mr. Ames about this time. As stated in my testimony, I had just returned from Europe, only a few days before the session began, and the expenses of the trip had brought me short of funds. I might have alluded in the same connection to the fact, that before going abroad I had obtained money from a banker in New York, turn-

ing over to him advanced drafts for several months of my congressional salary when it should be due. And needing a small sum, early in the session, for current expenses, I asked it of Mr. Ames, for the reason that he had volunteered to put me in the way of making what he thought would be a profitable investment. He gave me the money, asking for no receipt, but saying at the time that if I concluded to take the stock we would settle both matters together. I am not able to fix the exact date of the loan, but it was probably in January, 1868.

Mr. Ames seemed to have forgotten this circumstance until I mentioned it to him after the investigation began; for he said in his first testimony (p. 28) that he had forgotten that he had let me have any money. I neglected to pay him this money until after the conversation with Judge Black, partly because of my pecuniary embarrassments, and partly because no conclusion had been reached in regard to the purchase of the stock. When I repaid him I took no receipt, as I had given none at the first.

Mr. Ames said once or twice, in the course of his testimony, that I did not repay it, although he says in regard to it, on page 358, that he does not know and cannot remember.

ADDITIONAL TESTIMONY.

On these differences of recollection between Mr. Ames and myself, it is not so important to show that my statement is the correct one, as to show that I have made it strictly in accordance with my understanding of the facts. And this I am able to show by proof entirely independent of my own testimony.

In the spring of 1868, Hon. J. P. Robison, of Cleveland, Ohio, was my guest here in Washington, and spent nearly two weeks with me during the trial of the impeachment of Andrew Johnson. There has existed between us an intimate acquaintance of long standing, and I have often consulted him on business affairs. On meeting him since the adjournment of Congress, he informs me that while he was visiting me on the occasion referred to, I stated to him the offer of Mr. Ames, and asked him his opinion of it. The following letter, just received from him, states the conversation as he remembers it:

CLEVELAND, OHIO, *May 1, 1873.*

DEAR GENERAL: I send you the facts concerning a conversation which I had with you, (I think in the spring of 1868,) when I was stopping in Washington for some days, as your guest, during the trial of the impeachment of President Johnson. While there, you told me that Mr. Ames had offered you a chance to invest a small amount in a company that was to operate in lands and buildings along the Pacific Railroad, which he (Ames) said would be a good thing. You asked me what I thought of it as a business proposition, that you had not determined what you would do about it, and suggested to me to talk with Ames, and form my own judgment, and if I thought well enough of it to advance the money and buy the stock on joint account with you, and let you pay me interest on the one-half, I could do so. But I did not think well of the proposition as a business enterprise, and did not talk with Ames on the subject.

After this talk, having at first told you I would give the subject thought, and perhaps talk with Ames, I told you one evening that I did not think well of the proposition, and had not spoken to Ames on the subject.

Yours, truly,

J. P. ROBISON.

Hon. J. A. GARFIELD.

I subjoin two other letters, which were written about the time the report of the committee was made, and to which I refer in my remarks made on the 3d March in the House of Representatives. The first is from a citizen of the town where I reside; and the time of the conversation to which it alludes was, as near as I can remember, in the fall of 1868, during the recess of Congress:

HIRAM, OHIO, February 18, 1873.

DEAR SIR: It may be relevant to the question at issue between yourself and Mr. Oakes Ames, in the Credit Mobilier investigation, for me to state that three or four years ago, in a private conversation, you made a statement to me involving the substance of your testimony before the Poland committee, as published in the newspapers. The material points of your statement were these:

That you had been spoken to by George Francis Train, who offered you some shares of the Credit Mobilier stock; that you told him that you had no money to invest in stocks; that subsequently you had a conversation in relation to the matter with Mr. Ames; that Ames offered to carry the stock for you until you could pay for it, if you cared to buy it; and that you had told him in that case perhaps you would take it, but would not agree to do so until you had inquired more fully into the matter. Such an arrangement as this was made, Ames agreeing to carry the stock until you should decide. In this way the matter stood, as I understood it, at the time of our conversation. My understanding was distinct that you had not accepted Mr. Ames's proposition, but that the shares were still held at your option.

You stated, further, that the company was to operate in real property along the line of the Pacific road. Perhaps I should add that this conversation, which I have always remembered very distinctly, took place here in Hiram. I have remembered the conversation the more distinctly from the circumstances that gave rise to it. Having been intimately acquainted with you for twelve or fifteen years, and having had a considerable knowledge of your pecuniary affairs, I asked you how you were getting on, and especially whether you were managing to reduce your debts. In reply you gave me a detailed statement of your affairs, and concluded by saying you had had some stock offered you, which, if you bought it, would probably make you some money. You then proceeded to state the case, as I have stated it above.

I cannot fix the time of this conversation more definitely than to say it was certainly three, and probably four, years ago.

Very truly, yours,

B. A. HINSDALE,
President of Hiram College.

Hon. J. A. GARFIELD,
Washington, D. C.

The other letter was addressed to the Speaker of the House, and is as follows:

PHILADELPHIA, February 15, 1873.

MY DEAR SIR: From the beginning of the investigation concerning Mr. Ames's use of the Credit Mobilier, I believed that General Garfield was free from all guilty connection with that business. This opinion was founded not merely on my confidence in his integrity, but on some special knowledge of his case. I may have told you all about it in conversation, but I desire now to repeat it by way of reminder.

I assert unhesitatingly that, whatever General Garfield may have done or forborne to do, he acted in profound ignorance of the nature and character of the thing which Mr. Ames was proposing to sell. He had not the slightest suspicion that he was to be taken into a ring organized for the purpose of defrauding the public; nor did he know that the stock was in any manner connected with anything which came, or could come, within the legislative jurisdiction of Congress. The case against him lacks the *scienter* which alone constitutes guilt.

In the winter of 1869-70, I told General Garfield of the fact that his name was on Ames's list; that Ames charged him with being one of his distributees; explained to him the character, origin, and objects of the Credit Mobilier; pointed out the connection it had with congressional legislation, and showed him how impossible it was for a member of Congress to hold stock in it without bringing his private interests in conflict with his public duty. That all this was to him a perfectly new revelation I am as sure as I can be of such a fact, or of any fact which is capable of being proved only by moral circumstances. He told me, then, the whole story of Train's offer to him and Ames's subsequent solicitation, and his own action in the premises, much as he details it to the committee. I do not undertake to reproduce the conversation, but the effect of it all was to convince me thoroughly that when he listened to Ames he was perfectly unconscious of anything evil. I watched carefully every word that fell from him on this point, and did not regard his narrative of the transaction in other respects with much interest, because in my view everything else was insignificant. I did not care whether he had made a bargain technically binding or not; his integrity depended upon the question whether he acted with his eyes open. If he had known the true character of the proposition made to him he would not have endured it, much less embraced it.

Now, couple this with Mr. Ames's admission that he gave no explanation whatever

of the matter to General Garfield; then reflect that not a particle of proof exists to show that he learned anything about it previous to his conversation with me, and I think you will say that it is altogether unjust to put him on the list of those who knowingly and willfully joined the fraudulent association in question.

J. S. BLACK.

Hon. J. G. BLAINE,

Speaker of the House of Representatives.

To these may be added the fact, recently published by Colonel Donn Piatt, of this city, that in the winter of 1869-'70 he had occasion to look into the history of the Credit Mobilier Company, and found the same state of facts concerning my connection with it as are set forth in the letters quoted above.

Whether my understanding of the facts is correct or not, it is manifest from the testimony given above that in the spring of 1868, and in the autumn of that year, and again in the winter of 1869, when I could have no motive to misrepresent the facts, I stated the case to these gentlemen, substantially as it is stated in my testimony before the committee.

RESPONSE TO THE CHARGES IN SEPTEMBER, 1872.

But it has been charged in the newspapers that, during the Presidential campaign, I denied any knowledge of the subject, or at least that I allowed the impression to be made upon the public mind that I knew nothing of it. To this I answer, I wrote no letter on the subject and made no statement in any public address, except to deny, in the broadest terms, the only charge then made, that I had been bribed by Oakes Ames.

When the charges first appeared in the newspapers, I was in Montana Territory, and heard nothing of them until my return on the 13th or 14th of September. On the following day I met General Boynton, correspondent of the Cincinnati Gazette, and related to him briefly what I remembered about the offer to sell the stock. I told him I should write no letter on the subject, but if he thought best to publish the substance of what I had stated to him he could do so. The same day he wrote and telegraphed from Washington to the Cincinnati Gazette, under date of September 15, 1872, the following, which is a brief but correct report of my statement to him:

General Garfield, who has just arrived here from the Indian country, has to-day had the first opportunity of seeing the charges connecting his name with receiving shares of the Credit Mobilier from Oakes Ames. He authorizes the statement that he never subscribed for a single share of the stock, and that he never received or saw a share of it. When the company was first formed, George Francis Train, then active in it, came to Washington and exhibited a list of subscribers, of leading capitalists, and some members of Congress, to the stock of the company. The subscription was described as a popular one of \$1,000 cash. Train urged General Garfield to subscribe on two occasions, and each time he declined. Subsequently he was again informed that the list was nearly completed, but that a chance remained for him to subscribe, when he again declined, and to this day he has not subscribed for or received any share of stock or bond of the company.

This dispatch was widely copied in the newspapers at the time, and was the only statement I made or authorized. One thing in connection with the case I withheld from the public. When I saw the letters of Oakes Ames to Mr. McComb, I was convinced, from what Judge Black had told me in 1869, that they were genuine, and that Ames had pretended to McComb that he had sold the Credit Mobilier stock for the purpose of securing the influence of members of Congress in any legis-

lation that might arise touching his interests. I might have published the fact that I had heard this, and now believed Ames had so represented it; though at the time Judge Black gave me the information I thought quite likely he was mistaken. I did not know to what extent any other member of Congress had had negotiations with Mr. Ames; but knowing the members whose names were published in connection with the charges, and believing them to be men of the highest integrity, I did not think it just either to them or to the party with which we acted, to express my opinion of the genuineness of Ames's letters at a time when a false construction would doubtless have been placed upon it.

Here I might rest the case, but for some of the testimony given by Mr. Ames in reference to myself. I shall consider it carefully, and shall make quotations of his language, or refer to it by pages as printed in the report, so that the correctness of my citations may, in every case, be verified.

POINTS OF AGREEMENT AND DIFFERENCE BETWEEN MR. AMES AND MYSELF.

To bring the discussion into as narrow a compass as possible, the points of agreement and difference between Mr. Ames and myself may thus be stated :

We agree that, soon after the beginning of the session of 1867-'8, Mr. Ames offered to sell me ten shares of the Credit Mobilier stock, at par and the accrued interest; that I never paid him any money on that offer; that I never received a certificate of stock; that after the month of June, 1868, I never received, demanded, or was offered any dividend, in any form, on that stock. We also agree that I once received from Mr. Ames a small sum of money. On the following points we disagree: He claims that I agreed to take the stock. I deny it. He claims that I received from him \$329, and no more, as a balance of dividends on the stock. This I deny; and assert that I borrowed from him \$300, and no more, and afterwards returned it; and that I never received anything from him on account of the stock.

In discussing the testimony relating to myself, it becomes necessary, for a full exhibition of the argument, to refer to that concerning others.

MR. AMES'S FIRST TESTIMONY.

It has been said that in Mr. Ames's first testimony, he withheld or concealed the facts generally; and hence, that what he said at that time concerning any one person is of but little consequence. The weight and value of his first testimony concerning any one person can be ascertained only by comparing it with his testimony given at the same examination concerning others.

In that first examination of December 17, as recorded on pp. 15-58, Mr. Ames mentions by name (pp. 19-21) sixteen members of Congress who were said to have had dealings with him in reference to Credit Mobilier stock. Eleven of these, he says in that testimony, bought the stock; but he there sets me down among the five who did not buy it. He says, p. 21, "He [Garfield] did not pay for it or receive it."

He was, at the same time, cross-examined in regard to the dividends he paid to different persons; and he testified (pp. 23-41) that he paid one or more dividends to eight different members of Congress, and that three others, being original subscribers, drew their dividends, not from him, but directly from the company. To several of the eight he says

he paid all the dividends that accrued. But in the same cross-examination, he testified that he did not remember to have paid me any dividends, nor that he had let me have any money. The following is the whole of his testimony concerning me, on cross-examination:

Q. In reference to Mr. Garfield, you say that you agreed to get ten shares for him, and to hold them till he could pay for them, and that he never did pay for them nor receive them?—A. Yes, sir.

Q. He never paid any money on that stock nor received any money from it?—A. Not on account of it.

Q. He received no dividends?—A. No, sir; I think not. He says he did not. My own recollection is not very clear.

Q. So that, as you understand, Mr. Garfield never parted with any money, nor received any money on that transaction?—A. No, sir; he had some money from me once, some three or four hundred dollars, and called it a loan. He says that that is all he ever received from me, and that he considered it a loan. He never took his stock, and never paid for it.

Q. Did you understand it so?—A. Yes; I am willing to so understand it. I do not recollect paying him any dividend, and have forgotten that I paid him any money.—(P. 28.)

* * * * *
Q. Who received the dividends?—A. Mr. Patterson, Mr. Bingham, James F. Wilson did, and I think Mr. Colfax received a part of them. I do not know whether he received them all or not. I think Mr. Scofield received a part of them. Messrs. Kelley and Garfield never paid for their stock, and never received their dividends.—(P. 40.)

Certainly it cannot be said that Mr. Ames has evinced any partiality for me; and if he was attempting to shield any of those concerned, it will not be claimed that I was one of his favorites.

In his first testimony, he claims to have spoken from memory, and without the aid of his documents. But he did then distinctly testify that he sold the stock to eleven members, and paid dividends to eight of them. He not only did not put me in either of those lists, but distinctly testified that I never took the stock nor received the dividends arising from it.

MR. AMES'S SUBSEQUENT TESTIMONY.

His second testimony was given on the 22d January, five weeks after his first. In assigning to this and all his subsequent testimony its just weight, it ought to be said that before he gave it an event occurred which made it strongly for his interest to prove a sale of the stock which he held as trustee. Besides the fact that McComb had already an equity suit pending in Philadelphia, to compel Mr. Ames to account to *him* for this same stock, another suit was threatened, after he had given his first testimony, to make him account to the company for all the stock he had not sold as trustee. His first testimony was given on the 17th December, and was made public on the 6th of January. On the 15th of January T. C. Durant, one of the heaviest stockholders of the Credit Mobilier Company, and for a long time its president, was examined as a witness, and said, (p. 173:) "The stock that stands in the name of Mr. Ames, as trustee, I claim belongs to the company yet; and I have a summons in a suit in my pocket waiting to catch him in New York to serve the papers." Of course, if as a trustee he had made sale of any portion of this stock, and afterward as an individual had bought it back, he could not be compelled to return it to the company.

Nowhere in Mr. Ames's subsequent testimony does he claim to *remember* the transaction between himself and me any differently from what he first stated it to be. But from the memoranda found or made after his first examination, he *infers* and declares that there was a sale of the stock to me, and a payment to me of \$329 on account of dividends.

Here, again, his testimony concerning me should be compared with his testimony given at the same time concerning others.

The memoranda out of which all his additional testimony grew, consisted of certificates of stock, receipts, checks on the Sergeant-at-Arms, and entries in his diary. I will consider these in the order stated.

To two members of Congress he delivered certificates of Credit Mobilier stock, which as trustee he had sold to them; (see pp. 267 and 290;) and in a third case he delivered a certificate of stock to the person to whom a member had sold it. But Mr. Ames testifies that he never gave me a certificate of stock; that I never demanded one; and that no certificate was ever spoken of between us. (See pp. 295, 296.)

In the case of five members, he gave to them, or received from them, regular receipts of payment on account of stock and dividends. (See pp. 21, 113, 191, 204, 337, 456, and 458.) But nowhere is it claimed or pretended that any receipt was ever given by me, or to me, on account of this stock, or on account of any dividends arising from it.

Again, to five of the members, Mr. Ames gave checks on the Sergeant-at-Arms, payable to them by name; and these checks were produced in evidence. (See pp. 333, 334, and 449.) In the case of three others, he produced checks bearing on their face the initials of the persons to whom he claimed they were paid. But he nowhere pretended to have or ever to have had any check bearing either my name or my initials, or any mark or indorsement connecting it with me.

In regard to dividends claimed in his subsequent testimony to have been paid to different members, in two cases he says he paid all the dividends that accrued on the stock from December, 1867, to May 6, 1871. (See pp. 191 and 337.) In a third case, all the accretions of the stock were received by the person to whom he sold it, as the result of a resale. (See p. 217.) In a fourth case he claims to have paid money on the 22d September, 1868, on account of dividends, (see p. 461;) and in a fifth case he claims to have paid a dividend in full, January 22, 1869. (See p. 454.) One purchaser sold his ten shares in the winter of 1868-'69, and received thereon a net profit of at least \$3,000. Yet Mr. Ames repeatedly swears that he never paid me but \$329; that after June, 1868, he never tendered to me nor did I ever demand from him any dividend; and that there was never any conversation between us relating to dividends. (See pp. 40, 296, and 356.)

As an example of his testimony on this point, I quote from page 296. After Mr. Ames had stated that he remembered no conversation between us in regard to the adjustment of these accounts, the committee asked:

Q. Was this the only dealing you had with him in reference to any stock?—A. I think so.

Q. Was it the only transaction of any kind?—A. The only transaction.

Q. Has that \$329 ever been paid to you?—A. I have no recollection of it.

Q. Have you any belief that it ever has?—A. No, sir.

Q. Did you ever loan General Garfield \$300?—A. Not to my knowledge; except that he calls this a loan.

Q. There were dividends of Union Pacific Railroad stock on these ten shares?—A. Yes, sir.

Q. Did General Garfield ever receive these?—A. No, sir. He never has received but \$329. * * *

Q. Has there been any conversation between you and him in reference to the Pacific stock he was entitled to?—A. No, sir.

Q. Has he ever called for it?—A. No, sir.

Q. Have you ever offered it to him?—A. No, sir.

Q. Has there been any conversation in relation to it?—A. No, sir.

The assertion that he withheld the payment of dividends because of the McComb suit brought in November, 1868, is wholly broken down

by the fact that he did pay the dividends to several persons during a period of two years after the suit was commenced.

The only other memoranda offered as evidence are the entries in Mr. Ames's diary for 1868. That book contains a separate statement of an account with eleven members of Congress, showing the number of shares of stock sold or intended to be sold to each, with the interest and dividends thereon. (See pp. 450 to 461.) Across the face of nine of these accounts, long lines are drawn, crossing each other, showing, as Mr. Ames says, that in each such case the account was adjusted and closed. Three of these entries of accounts are not thus crossed off, (see pp. 451, 458, and 459,) and the three members referred to therein testify that they never bought the stock. The account entered under my name is one of the three that are not crossed off. Here is the entry in full. (See p. 459:)

GARFIELD.

10 shares Credit M.....	\$1,000 00
7 mos. 10 days.....	43 36
	<hr/>
	1,043 36
80 per ct. bd. div., at 97.....	776 00
	<hr/>
	267 36
Int't to June 20.....	3 64
	<hr/>
	271 00
	<hr/>
1,000 C. M.	
1,000 U. P.	

This entry is a mere undated memorandum, and indicates neither payment, settlement, or sale. In reference to it, the following testimony was given by Mr. Ames on cross-examination, (see p. 460:)

Q. This statement of Mr. Garfield's account is not crossed off, which indicates, does it, that the matter has never been settled or adjusted?—A. No, sir; it never has.

Q. Can you state whether you have any other entry in relation to Mr. Garfield?—A. No, sir.

Comparing Mr. Ames's testimony in reference to me, with that in reference to others, it appears that when he testified from his memory alone, he distinctly and affirmatively excepted me from the list of those who bought the stock or received the dividends; and that subsequently, *in every case save my own*, he produced some one or more of the following documents as evidence, viz, certificates of stock; receipts of money or dividends; checks bearing either the full names or the initials of the persons to whom they purported to have been paid; or entries, in his diary, of accounts marked "adjusted and closed." But no one of the classes of memoranda here described was produced in reference to me; nor was it pretended that any one such, referring to me, ever existed.

In this review, I neither assert nor intimate that sales of stock are proved in the other cases referred to. In several cases such proof was not made. But I do assert that none of the evidences mentioned above exist in reference to me.

MR. AMES'S MEMORANDA.

Having thus stated the difference between the testimony relating to other persons, and that relating to me, I now notice the testimony on

which it is attempted to reach the conclusion that I did agree to take the stock, and did receive \$329 on account of it.

On the 22d of January, Mr Ames presented to the committee a statement of an alleged account with me, which I quote from page 297 :

J. A. G.,		Dr.
1868.	To 10 shares stock Credit Mobilier of A.....	\$1,000 00
	Interest.....	47 00
June 19.	To cash.....	329 00
		<u>1,376 00</u>
		Cr.
1868.	By dividend bonds, Union Pacific Railroad, \$1,000, at 80 per cent.	
	less 3 per cent	\$776 00
June 17.	By dividend collected for your account.....	600 00
		<u>1,376 00</u>

This account, and other similar ones presented at the same time, concerning other members, he claimed to have copied from his memorandum-book. But when the memorandum-book was subsequently presented, it was found that the account here quoted was not copied from it, but was made up partly from memory and partly from such memoranda as Mr. Ames had discovered after his first examination.

By comparing this account with the entry made in his diary, and already quoted, it will be seen that they are not duplicates, either in substance or form; and that in this account a new element is added, namely, an alleged payment of \$329 in cash on June 19. This is the very element in dispute.

THE CHECK ON THE SERGEANT-AT-ARMS.

The pretended proof that this sum was paid me is found in the production of a check drawn by Mr. Ames on the Sergeant-at-Arms. The following is the language of the check, as reported on page 353 of the testimony :

JUNE 22, 1868.

Pay O. A. or bearer three hundred and twenty-nine dollars, and charge to my account.

OAKES AMES.

This check bears no indorsement or other mark, than the words and figures given above. It was drawn on the 22d day of June, and, as shown by the books of the Sergeant-at-Arms, was paid the same day by the paying-teller. But if this check was paid to me on the account just quoted, *it must have been delivered to me three days before it was drawn*; for the account says that I received the payment on the 19th of June.

There is nothing but the testimony of Mr. Ames that in any way connects this check with me. And, as the committee find that the check was paid to me, I call special attention to all the testimony that bears upon the question.

When Mr. Ames testified that he paid me \$329 as a dividend on account of the stock, the following question was asked him, (p. 295:)

Q. How was that paid?—A. Paid in money, I believe.

At a later period in the examination, (p. 297:)

Q. You say that \$329 was paid to him. How was that paid?—A. I presume by a check on the Sergeant-at-Arms. I find there are checks filed, without indicating who they were for.

One week later, the check referred to above was produced, and the following examination was had, (p. 353:)

Q. This check seems to have been paid to somebody, and taken up by the Sergeant-at-Arms. Those initials are your own?—A. Yes, sir.

Q. Do you know who had the benefit of this check?—A. I cannot tell you.

Q. Do you think you received the money on it yourself?—A. I have no idea. I may have drawn the money and handed it to another person. It was paid in that transaction. It may have been paid to Mr. Garfield. There were several sums of that amount.

Q. Have you any memory in reference to this check?—A. I have no memory as to that particular check.

Still later in the examination occurs the following, (p. 354:)

Q. In regard to Mr. Garfield, do you know whether you gave him a check, or paid him the money?—A. I think I did not pay him the money. He got it from the Sergeant-at-Arms.

Still later, in the same examination, occurs the following, (p. 355:)

Q. You think the check on which you wrote nothing to indicate the payee, must have been Mr. Garfield's?—A. Yes, sir. That is my judgment.

On the 11th February, twelve days later still, the subject came up again, and Mr. Ames said, (p. 460:)

A. I am not sure how I paid Mr. Garfield.

Still later, in a cross-examination in reference to Mr. Colfax, the following occurs, (p. 471:)

Q. In testifying in Mr. Garfield's case, you say you may have drawn the money on the check and paid him. Is not your answer equally applicable to the case of Mr. Colfax?—A. No, sir.

Q. Why not?—A. I put Mr. Colfax's initials on the check, while I put no initials on Mr. Garfield's, and I may have drawn the money myself.

Q. Did not Mr. Garfield's check belong to him?—A. Mr. Garfield had not paid for his stock. He was entitled to \$329 balance. But Mr. Colfax paid for his, and I had no business with his \$1,200.

Q. Is your recollection in regard to this payment to Mr. Colfax any more clear than your recollection as to the payment to Mr. Garfield?—A. Yes, sir; I think it is.

And finally, in the examination of Mr. Dillon, cashier of the Sergeant-at-Arms, the following is recorded, (p. 479:)

Q. There is a check payable to Oakes Ames or bearer. Have you any recollection of that?—A. That was paid to himself. I have no doubt myself that I paid that to Mr. Ames.

Reviewing the testimony on this point, (and I have quoted it all,) it will be seen that Mr. Ames several times asserts that he does not know whether he paid me the check or not. He states positively that he has no special recollection of the check. His testimony is wholly inferential. In one of the seven paragraphs quoted, he says he paid me the money; in another he says he may have paid me the money; in three of them he thinks, or presumes, that he paid me the check; and in the other two he says he does not know.

The cashier of the Sergeant-at-Arms has no doubt that Mr. Ames himself drew the money on the check. And yet, upon this vague and wholly inconclusive testimony, and almost alone upon it, is based the assumption that I received from Mr. Ames \$329, as a dividend on the stock. I affirm, with perfect distinctness of recollection, that I received no check from Mr. Ames. The only money I ever received from him was in currency.

The only other evidence in support of the assumption that he paid me \$329, as a balance on the stock, is found in the entries in his diary for

1868. The value of this class of memoranda depends altogether upon their character and upon the business habits of the man who makes them. On this latter point the following testimony of Mr. Ames, on page 34, is important:

Q. Is it your habit, as a matter of business, in conducting various transactions with different persons, to do it without making any memoranda?—A. This was my habit. Until within a year or two I have had no book-keeper, and I used to keep all my own matters in my own way, and very carelessly, I admit.

The memorandum-book in which these entries were made was not presented to the committee until the 11th of February, one week before they made their report. This book does not contain continuous entries of current transactions, with consecutive dates. It is in no sense a day-book, but contains a loose, irregular mass of memoranda, which may have been made at the time of the transactions, or long afterward. Mr. Ames says of it in his testimony, (page 281 :)

Q. What was the character of the book in which the memoranda were made?—A. It was in a small pocket memorandum, and some of it on slips of paper.

It is not pretended that this book contains a complete record of payments and receipts. And yet, besides the check already referred to, this book, so made up, contains the only evidence, or pretended evidence, on which it is claimed that I agreed to take the stock. It should be remembered that every portion of this evidence, both check and book, is of Mr. Ames's own making. I have already referred to the undated memorandum of an account in this book, under my name, and have shown that it neither proved a sale of stock, or any payment on account of it.

There are but two other entries in the book relating to me, and they are two lists of names, substantially duplicates of each other, with various amounts set opposite each. They are found on pages 450 and 453 of the testimony. The word "paid" is marked before the first name on one of these lists, and ditto marks placed under the word "paid" and opposite the remaining names. But the value of this entry as proof of payment will be seen from the cross-examination of Mr. Ames, which immediately follows the list, (p. 453 :)

Q. This entry, "Paid S. Colfax \$1,200," is the amount which you paid by this check on the Sergeant-at-Arms?—A. Yes, sir.

Q. Was this entry upon this page of these various names intended to show the amount you were to pay, or that you had paid; was that made at this date?—A. I do not know; it was made about that time. I would not have written it on Sunday; it is not very likely. It was made on a blank page. It is simply a list of names.

Q. Were these names put down after you had made the payments, or before, do you think?—A. Before, I think.

Q. You think you made this list before the parties referred to had actually received their checks, or received the money?—A. Yes, sir; that was to show whom I had to pay, and who were entitled to receive the 60 per cent. dividend. It shows whom I had to pay here in Washington.

Q. It says "paid"?—A. Yes, sir; well, I did pay it.

Q. What I want to know is, whether the list was made out before or after payment?—A. About the same time, I suppose; probably before.

The other list, bearing the same names and amounts, shows no other evidence that the several sums were paid than a cross marked opposite each amount. But concerning this, Mr. Ames testifies that it was a list of what was to be paid, and that the cross was subsequently added to show that the amount had been paid.

Neither of these lists shows anything as to the time or mode of payment, and would nowhere be accepted as proof of payment. By Mr. Ames's

own showing, they are lists of persons to whom he *expected* to pay the amounts set opposite their names. They may exhibit his expectations, but they do not prove the alleged payments. If the exact sum of \$329 was received by me at the time and under the circumstances alleged by Mr. Ames, it implies an agreement to take the stock. It implies furthermore that Mr. Ames had sold Pacific Railroad bonds for me; that he had received also a cash dividend for me, and had accounted to me as trustee for these receipts, and the balance of the proceeds.

Now, I affirm, with the firmest conviction of the correctness of my statement, that I never heard until this investigation began that Mr. Ames ever sold any bonds, or performed any other stock transactions on my behalf, and no act of mine was ever based on such a supposition.

INTERVIEWS WITH MR. AMES DURING THE INVESTIGATION.

The only remaining testimony bearing upon me, is that in which Mr. Ames refers to conversations between himself and me, after the investigation began. The first of these was of his own seeking, and occurred before he or I had testified. Soon after the investigation began, Mr. Ames asked me what I remembered of our talk in 1867-'68 in reference to the Credit Mobilier Company. I told him I could best answer his question by reading to him the statement I had already prepared to lay before the committee when I should be called. Accordingly, on the following day, I took my written statement to the Capitol, and read it to him carefully, sentence by sentence, and asked him to point out anything which he might think incorrect. He made but two criticisms; one in regard to a date, and the other, that he thought it was the Credit Foncier and not the Credit Mobilier that Mr. Train asked me to subscribe to in 1866-'67. When I read the paragraph in which I stated that I had once borrowed \$300 of him, he remarked, "I believe I did let you have some money, but I had forgotten it." He said nothing to indicate that he regarded me as having purchased the stock; and from that conversation I did not doubt that he regarded my statement substantially correct. His first testimony, given a few days afterward, confirmed me in this opinion.

I had another interview with Mr. Ames, of my own seeking, to which he alludes on pages 357 and 359; and for a full understanding of it, a statement of some previous facts is necessary. I gave my testimony before the committee, and in Mr. Ames's hearing, on the morning of January 14. It consisted of the statement I had already read to Mr. Ames, and of the cross-examination which followed my reading of the statement, all of which has been quoted above.

During that afternoon, while I was engaged in the management of an appropriation bill in the House, word was brought to me that Mr. Ames, on coming out of the committee-room, had declared in the hearing of several reporters that "Garfield was in league with Judge Black to break him down; that it was \$400, not \$300 that he had let Garfield have, who had not only never repaid it, but had refused to repay it." Though this report of Mr. Ames's alleged declaration was subsequently found to be false, and was doubtless fabricated for the purpose of creating difficulty, yet there were circumstances which, at the time, led me to suppose that the report was correct. One was that Judge Black (who was McComb's counsel in the suit against Ames) was present at my examination, and had drawn out on cross-examination my opinion of the nature of Mr. Ames's relation to the Credit Mobilier Company and the Union Pacific Company; and the other was, that in Mr. Ames's testimony of December 17, he had said, (p. 28,) "He (Mr. Garfield) had some

money from me once, some three or four hundred dollars, and called it a loan." The sum of four hundred dollars had thus been mentioned in his testimony, and it gave plausibility to the story that he was now claiming that as the amount he had loaned me.

Supposing that Mr. Ames had said what was reported, I was deeply indignant; and, with a view of drawing from him a denial or retraction of the statement, or, if he persisted in it, to pay him twice over, so that he could no longer say or pretend that there existed between us any unsettled transaction, I drew some money from the office of the Sergeant-at-Arms, and, going to my committee-room, addressed him the following note:

HOUSE OF REPRESENTATIVES,
January 14, 1873.

SIR: I have just been informed, to my utter amazement, that after coming out of the committee-room this morning you said in the presence of several reporters that you had loaned me four instead of three hundred dollars, and that I had not only refused to pay you, but was aiding your accusers to injure you in the investigation. I shall call the attention of the committee to it, unless I find I am misinformed. To bring the loan question to an immediate issue between us, I inclose herewith \$400. If you wish to do justice to the truth and to me, you will return it and correct the alleged statement if you made it. If not, you will keep the money and thus be paid twice and more. Silence on your part will be a confession that you have deeply wronged me.

J. A. GARFIELD.

HON. OAKES AMES.

After the House had adjourned for the day, I found, on returning to my committee-room, that I had omitted to inclose the note with the money, which had been sent to the House post-office. I immediately sought Mr. Ames to deliver the note, but failed to find him at his hotel or elsewhere that evening. Early the next morning, January 15, I found him, and delivered the note. He denied having said or claimed any of the things therein set forth, and wrote on the back of my letter the following:

WASHINGTON, January 15, 1873.

DEAR SIR: I return you your letter with inclosures, and I utterly deny ever having said that you refused to pay me, or that it was four instead of three hundred dollars, or that you was aiding my accusers. I also wish to say that there has never been any but the most friendly feelings between us, and no transaction in the least degree that can be censured by any fair-minded person. I herewith return you the four hundred dollars as not belonging to me.

Yours, truly,

OAKES AMES.

HON. J. A. GARFIELD.

From inquiry of the reporters to whom the remarks were alleged to have been made, I had become satisfied that the story was wholly false, and when Mr. Ames added his denial, I expressed to him my regret that I had written this note in anger and upon false information. I furthermore said to Mr. Ames that, if he had any doubt in reference to the repayment of the loan, I wished him to keep the money. He refused to keep any part of it, and his conversation indicated that he regarded all transactions between us settled.

Before I left his room, however, he said he had some memoranda which seemed to indicate that the money I had of him was on account of stock; and asked me, if he did not, some time in 1868, deliver to me a statement to that effect. I told him if he had any account of that sort, I was neither aware of it, nor responsible for it; and thereupon I made substantially the following statement:

Mr. Ames, the only memorandum you ever showed me was in 1867-'68, when speaking to me of this proposed sale of stock, you figured out, on a little piece of paper,

what you supposed would be realized from an investment of \$1,000; and, as I remember, you wrote down these figures:

1,000
1,000
400
2 400

as the amounts, you expected to realize.

While saying this to Mr. Ames, I wrote the figures as above, on a piece of paper lying on his table, to show him what the only statement was he had ever made to me. It is totally false that these figures had any other meaning than that I have here given; nor did I say anything out of which could be fabricated such a statement as appears on pages 358, 359.

In his testimony of January 29, Mr. Ames gives a most remarkable account of this interview. Remembering the fact, by him undisputed, that there had been no communication between us on this subject for more than four years before this investigation began, notice the following, (p. 358:)

Q. Did you have any conversation in reference to the influence this transaction would have on the election last fall?—A. Yes, he said it would be very injurious to him.

Q. What else in reference to that?—A. I am a very bad man to repeat conversations; I cannot remember.

That is, he makes me, on the 15th January, 1873, express the fear that this transaction will injure me in the election of October, 1872!

Again, pages 357, 358:

Q. You may state whether in conversation with you, Mr. Garfield claims, as he claims before us, that the only transaction between you was borrowing \$300.—A. No, sir, he did not claim that with me.

Q. State how he did claim it with you; what was said.—A. I cannot remember half of it. * * He [Mr. Garfield] stated that when he came back from Europe, being in want of funds, he called on me to loan him a sum of money. He thought he had repaid it. I do not know; I do not remember. * *

Q. How long after that transaction [the offer to sell Credit Mobilier stock] did he go to Europe?—A. I believe it was a year or two. * *

Q. Do you not know that he did not go to Europe for nearly two years afterward?—A. No, I do not. It is my impression it was two years afterward, but I cannot remember dates.

I should think not, if this testimony is an example of his memory!

It is known to thousands of people that I went to Europe in the summer of 1867, and at no other time. I sailed from New York on the 13th of July, 1867, spent several days of August in Scotland, with Speaker Blaine and Senator Morrill of Vermont, and returned to New York on the 9th of the following November—three weeks before the beginning of the session of Congress.

The books of the Sergeant-at-Arms of the House show that, before going, I had assigned several months' pay in advance to a banker, who had advanced me money for the expenses of the trip. To break the weight of this fact, which showed why I came to need a small loan, Mr. Ames says I did not go to Europe till nearly two years afterward.

If a reason be sought why he gave such testimony it may perhaps be found on the same page from which the last quotation is made: (page 359:)

Q. How did you happen to retain that little stray memorandum?—A. I do not know. I found it in my table two or three days afterward. I did not pay any attention to it at the time, until I found there was to be a conflict of testimony, and I thought that might be something worth preserving.

How did he find out after that time that "there was to be a conflict of

testimony?" The figures were made on that piece of paper January 15, the day after I had given my testimony, and four weeks after he had given his first testimony. There was no conflict except what he himself made; and that conflict was as marked between his first statement and his subsequent ones, as between the latter and mine.

There runs through all this testimony now under consideration an intimation that I was in a state of alarm, was beseeching Mr. Ames "to let me off easily," "to say as little about it as possible," "to let it go as a loan," "to save my reputation," that I "felt very bad," was "in great distress," "hardly knew what I said," and other such expressions.

I should have been wholly devoid of sensibility if I had not felt keenly the suspicions, the false accusations, the reckless calumnies with which the public mind was filled, while the investigation was in progress. But there is not the smallest fragment of truth in the statement, or rather the insinuation, that I ever asked or wanted anything from Mr. Ames on this subject but simple justice and the truth.

The spirit in which a portion of the public treated the men whose conduct was being investigated, may be understood from the following question, put to Mr. Ames (page 361) in the midst of an examination, not at all relating to me :

Q. In that conversation with Mr. Garfield, was anything said by him about your being an old man, near the end of your career, and his being comparatively a young man?—A. No, sir; nothing of that sort.

It is manifest that this question was suggested by some of the inventive bystanders, in hopes of making an item for a new sensation.

The most absurd and exaggerated statements were constantly finding their way into the public press, in reference to every subject and person connected with the investigation, and this question is an illustration.

In no communication with Mr. Ames did I ever say anything inconsistent with my testimony before the committee.

Conscious that I had done no wrong from the beginning to the end of this affair, I had nothing to conceal and no favors to ask, except that the whole truth should be known. I was in the committee-room but once during the investigation, and I went there then only when summoned to give my testimony.

CONCLUSIONS.

From a review of the whole subject, the following conclusions are fairly and clearly established :

I. That the Credit Mobilier Company was a State corporation regularly organized; and that neither its charter nor the terms of its contract, of October 15, 1867, disclosed anything which indicated that the company was engaged in any fraudulent or improper enterprise.

II. That a ring of seven persons inside the Credit Mobilier Company, calling themselves trustees, obtained the control of the franchises, and of a majority of the stock of both the Credit Mobilier and of the Union Pacific Railroad Company; and, while holding such double control, they made a contract with themselves, by which they received for building the road an extravagant sum, greatly beyond the real cost of construction; and, in adjusting the payments, they received stock and bonds of the railroad company, at a heavy discount, and by these means virtually robbed and plundered the road, which was in great part built by the aid of the United States.

That these exorbitant profits were distributed, not to the stockholders of the Credit Mobilier proper, but to the ring of seven trustees and their

proxies—the holders of this ring stock—and that this arrangement was kept a close secret by its managers.

III. That in 1867-'68, Mr. Ames offered to sell small amounts of this stock to several leading members of Congress, representing it as an ordinary investment promising fair profits; but in every such offer he concealed from such members the real nature of the arrangement by which the profits were to be made, as well as the amount of dividends likely to be realized. While thus offering this stock, he was writing to one of his ring associates that he was disposing of the stock "where it would do most good," intimating that he was thereby gaining influence in Congress, to prevent investigation into the affairs of the road. His letters and the list of names which he gave to McComb represent many persons as having bought the stock who never did buy or agree to buy it, and also represent a much larger amount sold than he did actually sell. Mr. Ames's letters and testimony abound in contradictions, not only of his own statements, but also of the statements of most of the other witnesses; and it is fair, in judging of its credibility, to take into account his interests involved in the controversy.

IV. That in reference to myself the following points are clearly established by the evidence:

1. That I neither purchased nor agreed to purchase the Credit Mobilier stock which Mr. Ames offered to sell me; nor did I receive any dividend arising from it. This appears from my own testimony; and from the first testimony given by Mr. Ames, which is not overthrown by his subsequent statements; and is strongly confirmed by the fact that in the case of each of those who did purchase the stock, there was produced as evidence of the sale, either a certificate of stock, receipt of payment, a check drawn in the name of the payee, or entries in Mr. Ames's diary of a stock account marked adjusted and closed; but that no one of these evidences exists in reference to me. This position is further confirmed by the subsequent testimony of Mr. Ames, who, though he claims that I did receive \$329 from him on account of the stock, yet he repeatedly testifies that beyond that amount I never receive or demanded any dividend, that he did not offer me any, nor was the subject alluded to in conversation between us.

Mr. Ames admits, on page 40 of the testimony, that after December, 1867, the various stock and bond dividends, on the stock he had sold, amounted to an aggregate of more than 800 per cent.; and that between January, 1868, and May, 1871, all these dividends were paid to several of those who purchased the stock. My conduct was wholly inconsistent with the supposition of such ownership; for, during the year 1869, I was borrowing money to build a house here in Washington, and was securing my creditors by giving mortgages on my property; and all this time it is admitted that I received no dividends and claimed none.

The attempt to prove a sale of the stock to me is wholly inconclusive; for it rests, first, on a check payable to Mr. Ames himself, concerning which he several times says he does not know to whom it was paid; and second, upon loose undated entries in his diary, which neither prove a sale of the stock nor any payment on account of it.

The only fact from which it is possible for Mr. Ames to have inferred an agreement to buy the stock was the loan to me of \$300. But that loan was made months before the check of June 22, 1868, and was repaid in the winter of 1869; and after that date there were no transactions of any sort between us.

And finally, before the investigation was ended, Mr. Ames admitted that on the chief point of difference between us he might be mistaken.

On page 356 he said he "considered me the purchaser of the stock, un-

